



CSOP LEVERAGED AND INVERSE SERIES II  
(An umbrella unit trust established in Hong Kong)

**CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT**  
**(Stock Code: 07348)**  
**(A sub-fund of CSOP Leveraged and Inverse Series II)**

Unaudited Semi-Annual Report  
FOR THE PERIOD ENDED 30 JUNE 2022

**CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

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**CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

**CONDENSED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2022*

	30 June 2022 (Unaudited) US\$	31 December 2021 (Audited) US\$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Financial assets at fair value through profit or loss	4,271,797	10,100,242
Interest receivable	–	319
Rebate receivable	5,218	8,126
Amounts due from broker	–	55,011
Margin accounts	471,645	1,094,264
Cash and cash equivalents	4,019,091	11,936,968
<b>TOTAL ASSETS</b>	<u>8,767,751</u>	<u>23,194,930</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Financial liabilities at fair value through profit or loss	166,927	–
Amounts due to broker	163,756	–
Management fee payable	61,105	96,094
Other payables and accruals	28,179	32,860
Cash collateral liabilities	–	160,000
<b>TOTAL LIABILITIES</b>	<u>419,967</u>	<u>288,954</u>
<b>EQUITY</b>		
Net assets attributable to unitholders	<u>8,347,784</u>	<u>22,905,976</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>8,767,751</u>	<u>23,194,930</u>
<b>Number of units in issue</b>	<u>8,000,000</u>	<u>21,600,000</u>
<b>Net asset value per unit</b>	<u>1.0435</u>	<u>1.0605</u>

Note: The Semi-Annual report have applied the accounting policies and methods of computation as per the accompanying notes which are an integral part of these financial statements.

**CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

*For the period ended 30 June 2022*

	Period from 1 January 2022 to 30 June 2022 (Unaudited) US\$	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) US\$
<b>INCOME</b>		
Interest income from bank deposits	772	3
Interest income from margin accounts	26	25
Net gains on financial assets at fair value through profit or loss	1,340,935	119,352
Rebate income	12,950	12,387
	<hr/>	<hr/>
<b>TOTAL NET INCOME</b>	<b>1,354,683</b>	<b>131,767</b>
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>EXPENSES</b>		
Management fee <sup>Note 1, 2</sup>	(138,858)	(154,079)
Collateral management fee	(4,867)	(5,327)
Formation fee	–	(90,142)
Audit fee	(3,436)	(936)
Bank charges	(591)	(325)
Index licensing fee	(7,439)	(6,658)
Brokerage and transaction fee	(559)	(990)
Interest on margin accounts	(336)	(105)
Legal and other professional fee	(1,750)	(2,599)
Net foreign exchange losses	(1,438)	(778)
Other operating expenses	(13,963)	(10,118)
	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<b>(173,237)</b>	<b>(272,057)</b>
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>1,181,446</b>	<b>(140,290)</b>
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Note 1 During the period ended 30 June 2022, the Trustee fee and Registrar's fee are included in the Management fee and the Manager will pay the fees of the Trustee and Registrar out of the management fee.

Note 2 During the period ended 30 June 2022, other than Management fee that paid to the Manager, no other amounts are paid to the Manager/connected person of Manager.

*The accompanying notes form an integral part of these unaudited condensed financial statements.*

**CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT  
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**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

*For the period ended 30 June 2022*

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>US\$</i>	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) <i>US\$</i>
<b>Net assets attributable to unitholders at the beginning of the period</b>	22,905,976	–
Proceeds on issue of units	–	21,600,000
Payments on redemption of units	(15,739,638)	–
Net (decrease)/increase from unit transactions	(15,739,638)	21,600,000
Total comprehensive income/(loss) for the period	1,181,446	(140,290)
<b>Net assets attributable to unitholders at the end of the period</b>	8,347,784	21,459,710

The movement of the redeemable units are as below:

	Period from 1 January 2022 to 30 June 2022 (Unaudited) <i>Units</i>	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) <i>Units</i>
Number of units in issue at the beginning of the period	21,600,000	–
Units issued	–	21,600,000
Units redeemed	(13,600,000)	–
Number of units in issue at the end of the period	8,000,000	21,600,000

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**CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT  
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**CONDENSED STATEMENT OF CASH FLOWS**

*For the period ended 30 June 2022*

	Period from 1 January 2022 to 30 June 2022 (Unaudited) US\$	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total comprehensive income/(loss) for the period	1,181,446	(140,290)
Adjustments for:		
Interest on margin accounts	336	105
Interest income from bank deposits	(772)	(3)
Interest income from margin accounts	(26)	(25)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	1,180,984	(140,213)
Decrease/(increase) in financial assets at fair value through profit or loss	5,828,445	(16,145,256)
Decrease/(increase) in rebate receivable	2,908	(9,948)
Decrease in amounts due from a broker	55,011	–
Decrease/(increase) in margin accounts	622,619	(953,086)
Increase in financial liabilities at fair value through profit or loss	166,927	–
Increase in amounts due to broker	163,756	84,788
(Decrease)/increase in management fee payable	(34,989)	120,011
Decrease in cash collateral liabilities	(160,000)	–
Increase in formation fee payable	–	37,520
(Decrease)/increase in other payables and accruals	(4,681)	15,672
	<hr/>	<hr/>
Cash generated from/(used in) operations	7,820,980	(16,990,512)
Interest received on bank deposits	1,091	3
Interest paid on margin accounts	(310)	(80)
	<hr/>	<hr/>
<b>Net cash flows generated from/(used in) operating</b>	<b>7,821,761</b>	<b>(16,990,589)</b>
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<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds on issue of units	–	21,600,000
Payments on redemption of units	(15,739,638)	–
	<hr/>	<hr/>
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(15,739,638)</b>	<b>21,600,000</b>
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**CSOP FTSE CHINA A50 INDEX DAILY (-1X) INVERSE PRODUCT  
(A SUB-FUND OF CSOP LEVERAGED AND INVERSE SERIES II)**

**CONDENSED STATEMENT OF CASH FLOWS (Continued)**

*For the period ended 30 June 2022*

	Period from 1 January 2022 to 30 June 2022 (Unaudited) US\$	Period from 19 January 2021 (date of inception) to 30 June 2021 (Unaudited) US\$
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(7,917,877)	4,609,411
Cash and cash equivalents at the beginning of the period	11,936,968	–
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	4,019,091	4,609,411
	<hr/> <hr/>	<hr/> <hr/>
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances	4,019,091	4,609,411
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*The accompanying notes form an integral part of these unaudited condensed financial statements.*

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**INVESTMENT PORTFOLIO (Unaudited)**

As at 30 June 2022

				<b>Holdings Units</b>	<b>Fair value US\$</b>	<b>% of net assets</b>
<b><u>Financial assets at fair value through profit or loss</u></b>						
<b><u>Listed investment funds</u></b>						
<b>Hong Kong</b>						
CSOP Hong Kong Dollar Money Market ETF				16,000	2,111,947	25.30
CSOP US Dollar Money Market ETF				21,000	2,159,850	25.87
					<u>4,271,797</u>	<u>51.17</u>
	<b>Position</b>	<b>Underlying assets</b>	<b>Counter- party</b>	<b>Contracts</b>	<b>Fair value US\$</b>	<b>% of net assets</b>
<b><u>Financial liabilities at fair value through profit or loss</u></b>						
<b><u>Total return swap contracts</u></b>						
Total Return Swap (CGML)	Long	FTSE China A50 Index	Citigroup Global Markets Limited	91	(31,540)	(0.38)
Total Return Swap (JPM)	Long	FTSE China A50 Index	J.P. Morgan Securities plc	218	(131,190)	(1.57)
Total Return Swap (SocGen)	Long	FTSE China A50 Index	Societe Generale	250	(4,197)	(0.05)
					<u>(166,927)</u>	<u>(2.00)</u>
Total investments, at fair value					<u>4,104,870</u>	<u>49.17</u>
Total investments, at cost					<u>4,289,264</u>	



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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)**

*For the period ended 30 June 2022*

	<b>For the period from 1 January 2022 to 30 June 2022</b>	<b>For the period from 19 January 2021 (date of commencement of operations) to 31 December 2021</b>
	<b>% of net assets</b>	<b>% of net assets</b>
<b><u>Financial assets at fair value through profit or loss</u></b>		
<b>Listed investment funds</b>		
Hong Kong	51.17	43.08
<b>Total return swap contracts</b>	–	1.01
<b><u>Financial liabilities at fair value through profit or loss</u></b>		
<b>Total return swap contracts</b>	(2.00)	–
<b>Total investments and derivative financial instruments</b>	49.17	44.09
<b>Other net assets</b>	50.83	55.91
<b>Total net assets</b>	100.00	100.00

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**PERFORMANCE RECORD (Unaudited)**

**Net asset value**

	Dealing net asset value of the Sub-Fund* US\$	Dealing net asset value per unit US\$
At the end of financial period dated		
30 June 2022	8,379,235	1.0474
31 December 2021	22,941,808	1.0621

**Highest and lowest net asset value per unit**

	Highest net asset value per unit US\$	Lowest net asset value per unit US\$
Financial period ended		
30 June 2022	1.2924	1.0471
31 December 2021 (since 19 January 2021 (date of inception))	1.1510	0.8901

*\*The dealing net asset value of the Sub-Fund disclosed is calculated in accordance with the Trust's Prospectus.*

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**UNDERLYING INDEX CONSTITUENT STOCK DISCLOSURE (Unaudited)**

There were two securities (31 December 2021: Two) which is a collective investment scheme authorised by the SFC that individually accounted for more than 10% but less than 30% of the net asset value of the Sub-Fund as at 30 June 2022.

	Fair Value US\$	% of assets
<b>As at 30 June 2022</b>		
CSOP Hong Kong Dollar Money Market ETF	2,111,947	25.30
CSOP US Dollar Money Market ETF	2,159,850	25.87

During the period ended 30 June 2022, the FTSE China A50 Index decreased by 4.61% (31 December 2021: decreased by 14.53%) while the net asset value per unit of Sub-Fund decreased by 1.60% (31 December 2021: increased by 6.05%).

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**MANAGEMENT AND ADMINISTRATION**

**Manager**

CSOP Asset Management Limited  
2801-2803 & 3303-3304  
Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**Directors of the Manager**

Chen Ding  
Gaobo Zhang  
Xiaosong Yang  
Xiuyan Liu (resigned on 17 June 2022)  
Yi Zhou  
Yundong Zhu (appointed on 17 June 2022)  
Zhiwei Liu  
Zhongping Cai

**Registrar**

Computershare Hong Kong Investor Services Limited  
46/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

**Legal Counsel to the Manager**

Simmons & Simmons  
30/F, One Taikoo Place  
979 King's Road  
Hong Kong

**Auditor**

Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay  
Hong Kong

**Administrator and Custodian**

Citibank, N.A, Hong Kong Branch  
50/F., Champion Tower  
Three Garden Road  
Central  
Hong Kong

**Trustee**

Cititrust Limited  
50/F., Champion Tower  
Three Garden Road  
Central  
Hong Kong

**Service Agent**

HK Conversion Agency Services Limited  
1/F, One & Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**Listing Agent**

Altus Capital Limited  
21 Wing Wo Street  
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Hong Kong



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